UFE Reporting Guidelines

FIRST STAGE CONSULTATION PARTICIPANT RESPONSE TEMPLATE

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1. Context

This template is to assist stakeholders in giving feedback on the content of the initial draft version of the *UFE reporting guidelines* that will form the basis of UFE Trends Reports in accordance with NER 3.15.5B.

2. Questions

Section	Description	Participant Comments
1.1	Purpose and scope AEMO intends to publish each UFE Trends Report by 1 June each year covering a 12 month reporting period (For the (year "x") UFE Trends Report the reporting period is 1 May (year "x-1") to 30 April (year "x")). Q1. Do stakeholders require a different reporting timeframe? Q2. If so, what reporting timeframe is appropriate? What benefits will be realised through a different reporting timeframe?	The purpose of publishing UFE data is to enable all participants to have access to information to understand, investigate and reduce UFE over time. Waiting one year for 12 months of UFE data is too long, and particularly inappropriate for customers that are being subjected to significant fluctuations in UFE from month to month or very high UFE charges that are unable to be explained. Given it takes up to a month after preliminary data for final data to become available, AEMO should prepare and publish UFE reports quarterly, aligned with each quarter of the financial year. The UFE report should be prepared and published 1 month after the final data is available for each quarter of the financial year. Quarterly preparation of the UFE report by AEMO would not only provide customers with more confidence that UFE trends were being monitored by AEMO, but also enable AEMO and market participants to investigate excessively high UFE that cannot be explained or to start developing plans to reduce high UFE.

Section	Description	Participant Comments
2	Summary of analysis of UFE Charts in this section provide a summary of the UFE calculation components for each local area. The current proposal is to provide UFE component charts for the current reporting period based on FINAL version metering data. Q1. Should the corresponding charts for the previous reporting period also be included? If so, what benefits will be realised?	As Stanwell has observed significant differences in UFE between AEMO statements, a comparison between Preliminary, Final, Revision 1 and Revision 2 is required. Stanwell would also like to see Final, Revision 1 and Revision 2 periods indicated on the timeline of the existing graphs. A total UFE cost should also be included (i.e. UFE kWh x Loss Factor x RRP) being a customer pass-through cost. Tabular (5-minute interval) data sitting behind these graphs would also be required to understand, investigate and reduce UFE over time. This could be provided as an electronic excel file per local area and made available for download on AEMO's website.
3	UFE benchmark analysis AEMO proposes to publish the median, average, upper limit and lower limit UFE values as benchmarks for each local area per reporting period. Q1. Is there a better methodology to determine benchmarking for a *local area*? If so, provide details of that methodology.	The UFEF for each local area should be charted and benchmarked as part of the development of this "UFE Reporting Guideline". Currently, some customers are seeing differences of greater than 10% between Preliminary vs Final UFE data. Anything that can highlight the difference between AEMO statements would be useful. For customers in some local areas, there is a constant upward trend in UFE from May to July 2022. Data should be analysed by AEMO to understand if such trends are seasonal or simply due to the timing of metering data processes such as the use of Estimate vs Final reads from basic meters being used. The report should then be quarterly so that seasonal trends are visible.
4	UFE source analysis Areas of UFE source analysis are related to variables that modify metering data, as identified in section 4 of the Initial Draft *UFE reporting guidelines*.	It's important that trends over time of the sources that contribute to UFE are shown. This means a breakdown of the contributions of different sources to UFE over time for the reporting period (which is suggested to be quarterly) should be provided graphically, and as a separate 5-minute dataset.

Section	Description	Participant Comments
	Q1. Are there other variables that modify metering data that should be included in the *UFE reporting guidelines*? If so, provide details of the other variables and their effect on metering data Q2. Should the importance/effect of these variables be ranked? If so, which variables should be analysed initially?	In addition it is critical to see what proportion of accumulation meters are read versus unread in the final data presented in the quarterly report. It should also identify what kWh proportion of reads are actuals (meter data quality of 'A') vs non-actuals. All analysis should be broken down by local area.
5	Recommendations – UFE visibility improvements Q1. What are the benefits in reporting UFE values at a more granular level than at the local area? Noting that reporting at TNI level is not meaningful for local areas that have virtual TNIs. Q2. Should the seasonal variance information be presented in another way? If so, how should this information be presented and what will be the benefits of presenting the information in this alternative way?	Stanwell's view is that reporting UFE at the local area level is appropriate, noting that AEMO does have the ability to request more granular data from the DNSP's about which NMI's are mapped to TNI's versus VTN's should it be needed to investigate high UFE calculated within a local area. It is difficult to comment on how the seasonal variance is presented as the June 2022 report didn't contain any data in this section. As mentioned above, a view of UFE with Regional Reference Price applied would be beneficial to see the actual cost to customers.
6	Recommendations – UFE reduction actions Q1. Are there other actions which should be explored to reduce UFE? Q2. Who holds the information to support these actions?	Q1: It is not possible at this time to comment on actions to explore cases of high UFE when there is no data available to understand the potential causes of high UFE. Currently, AEMO is the only party that has access to the complete data set needed to understand UFE. Therefore, Stanwell believes it is AEMO's role to interrogate the data and to identify and communicate errors, trends and issues and propose ways to reduce UFE. Q2: As stated above, under Global Settlements, AEMO is the only party which currently has access to all the information needed to identify trends and areas of high UFE which warrants investigation. Therefore, it is imperative that the level

Section	Description	Participant Comments
		of granularity provided in this UFE publication be sufficient for all participants to cross check their own monthly data against the AEMO published data with respect to the UFE for their local area and their own component of the load and corresponding UFEA. C&I retailers such as Stanwell, where customers have accurate interval metering, cannot take actions to minimise UFE. This is because all other sources of UFE besides upgrading to interval metering are not within Stanwell's control. A detailed breakdown of UFE by source will at least assist C&I retailers explain to customers the cause of the UFE charges that are being passed on.
Appendix A.1	UFE analysis supporting information. Additional information to support UFE analysis in each local area. These charts are: • UFE for the local area • UFE for the local area as a percentage of local area ADME • UFE for the local area by metering data version, i.e. Prelim, Final, Rev 1 and Rev 2. Q1. Do the proposed charts, provide sufficient information, in conjunction with the charts in Section 2. to facilitate UFE analysis? Q2. If not, which other additional information is required? Provide details of other additional information required and the benefits of providing the additional information. Q3. Who holds the additional information?	Before Global Settlements (GS), UFE was the responsibility of Tier 1 retailers. In order to understand trends it is extremely important to see a comparison of UFE by local area now versus before GS and understand the frequency of UFE recovery for the Tier 1 retailer before GS. Going forward, a comparison for the same month of the previous year should also be provided.

3. Other Issues Related to the UFE Reporting Guidelines

Stakeholders to provide details of other UFE related aspects that have not been included in the proposed *UFE reporting guidelines* and provide details of the benefits of these additional reporting items.

Participant Comments
Stanwell requests that AEMO provides a guidance sheet that customers can access explaining the UFE charges and if such guidance doesn't currently exist, for AEMO to work with industry to develop broad guidance on how UFE is applied to customers as well as ways to smooth out its impact, for example between preliminary and final data. While the additional information requested for the Guidelines are extremely important for market participants, Stanwell continues to submit, it is AEMO's ongoing responsibility to investigate and analyse UFE data to reduce UFE charges over time. As the holder of all UFE data under Global Settlements, it is expected that AEMO would be following robust data assessment and analysis processes. If aspects of the data at the local level looked suspicious or warranted further interrogation at a more granular level, then it is expected that AEMO would investigate the anomaly or unexpected trends and then work with market participants to reduce UFE. Similarly, if publication of data at a more granular level than at the local area would enable AEMO to explain the data from a particular event or series of events, then this should be undertaken.